

BURR & FORMAN LLP
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Suite 3100
Birmingham, Alabama 35203
(205) 251-3000
Michael Leo Hall

Hearing Date and Time:
11/29/2005 at 10:00 a.m.

Objection Deadline:
11/22/2005 at 5:00 p.m.

Attorneys for Creditor
MERCEDES-BENZ U.S. INTERNATIONAL, INC.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
DELPHI CORPORATION et al., : Case No. 05-44481 (RDD)
Debtors. : (Jointly Administered)

**MERCEDES-BENZ U.S. INTERNATIONAL, INC.'S EVIDENTIARY SUBMISSION IN
SUPPORT OF ITS POSITION**

COMES NOW Mercedes-Benz U.S. International, Inc. ("MBUSI") and hereby proffers this Evidentiary Submission, consisting of the Affidavit of Joachim Hofmann and its accompanying exhibits, particularly in support of MBUSI's Motion Pursuant to 11 U.S.C. § 362 for Relief from the Automatic Stay, filed and served by MBUSI on November 9, 2005, and MBUSI's Request to Exercise Pre-Petition Setoff Claims Pursuant to the Final DIP Financing Order, submitted to the Debtors and Creditors Committee, with a copy to the Post-Petition Agent, on November 9, 2005.

Dated: Birmingham, Alabama
November 18, 2005

BURR & FORMAN LLP

By: /s/ Michael Leo Hall
Michael Leo Hall (pro hac granted)

Shannon Elizabeth Hoff (pro hac
granted)

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In re : Chapter 11
DELPHI CORPORATION et al., : Case No. 05-44481 (RDD)
Debtors. : (Jointly Administered)

AFFIDAVIT OF JOACHIM HOFMANN

STATE OF ALABAMA)
)
COUNTY OF TUSCALOOSA)

Before me, this undersigned authority, personally appeared Joachim Hofmann, who, known to me and being by me duly sworn, deposes and says as follows:

1. I am Joachim Hofmann, the Assistant Manager of Product Controlling for Mercedes-Benz U.S. International, Inc. ("MBUSI").

2. I am one of the persons who has custody of MBUSI's business records (including access to electronically stored data) concerning MBUSI's account with the Debtors. These records were made at or near the time of the event recorded by a person with knowledge of the event and charged with the responsibility for recording such events. These records are kept in the ordinary course of MBUSI's regularly conducted business activity, which is MBUSI's customary practice. I have reviewed MBUSI's file on this account, which leads me to the summary which is set forth below. All documents attached hereto are true and correct copies of the business records described above. All facts set forth herein are either (a) facts of which I have personal knowledge; or (b) an accurate summary of MBUSI's business records as described above.

3. MBUSI is an Alabama Corporation, having its principal office and place of business at 1 Mercedes Drive, Vance, Alabama 35490 (the "Vance Plant"). MBUSI is a wholly owned subsidiary of Daimler Chrysler North America Holding, which is a wholly owned subsidiary of DaimlerChrysler AG, and is an original equipment manufacturer ("OEM") customer of the Debtors. MBUSI purchases approximately three hundred million dollars worth of automotive systems, components, and/or parts from Delphi Corporation and its Subsidiaries each year.

4. MBUSI has executed multiple contracts (the "Letters of Intent") with Delphi Automotive Systems Deutschland GMBH ("Delphi GMBH") for the development and supply of transmission mounts and hydromounts; wiring harness systems; cockpit modules; SAM rear, SRB front, and SRB rear systems; and other systems, components, and/or parts (collectively, "the Products"). Each of the Letters of Intent is governed by MBUSI's master supply agreement (the "Supply Agreement").

5. Though Delphi GMBH, a German subsidiary of Delphi Corporation that is not a debtor in this case, signed the Letters of Intent, bankrupt Delphi entities (the "Delphi Suppliers"), have performed all obligations under the Supply Agreement, and payments are made by MBUSI directly to the Delphi Suppliers.

6. Pursuant to the terms of the Supply Agreement, MBUSI issues to the Delphi Suppliers purchase orders for the Products, and, upon acceptance thereof, the Delphi Suppliers manufacture and ship the Products to MBUSI.

7. MBUSI ordinarily pays for Products shipped and services provided in the current month on the 25th day of the following month. As such, the debt owed to Delphi Suppliers for Products shipped and services rendered in the month of September would ordinarily be paid on

October 25, 2005. And, monies earned and owed to the Delphi Suppliers in October would ordinarily be paid on November 25, 2005.

8. The Supply Agreement provides that MBUSI may at any time and without notice deduct or setoff the Delphi Suppliers' claims for money due, or to become due, from MBUSI against any claims that MBUSI has or may have against the Delphi Suppliers.

9. The Supply Agreement provides that the Delphi Suppliers shall pay the full cost and expense arising from the breach of, any and all representations and warranties made by the Supplier, as set forth in the Supply Agreement.

10. The Supply Agreement provides that MBUSI is entirely dependent upon the Delphi Suppliers for the supply of the Products; that failure to timely and fully perform the obligations under the Supply Agreement may affect the viability of the Products or the manufacturing of the vehicles at the Vance Plant; and that MBUSI will suffer substantial losses and damages from the failure to timely and fully perform under the terms of the Supply Agreement. The Supply Agreement states that MBUSI is entitled to recover from the Delphi Suppliers all losses, expenses, and damages, including attorney's fees, costs, and incidental and consequential damages which MBUSI may suffer as a result of the Delphi Suppliers failure to deliver goods or perform services at the specified times for doing so.

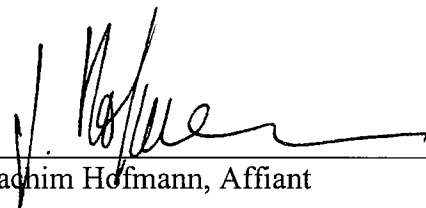
11. On August 26, 2005, Delphi Suppliers failed to timely and fully perform under purchase order(s) executed by MBUSI and the Delphi Suppliers. The breach under the terms of the purchase order(s) resulted in the shutdown of the manufacturing lines at the Vance Plant, causing MBUSI to incur damages in the amount of \$77,568. Documents supporting MBUSI's damages claim for the August 26, 2005 shutdown are attached hereto as Exhibit A.

12. On October 7, 2005, Delphi Suppliers failed to timely and fully perform under purchase order(s) executed by MBUSI and Delphi. The breach under the terms of the purchase order(s) resulted in the shutdown of the manufacturing lines at the Vance Plant, causing MBUSI to incur damages in the amount of ~~\$80,746~~ ^{\$792,562.25}. Documents supporting MBUSI's damages claim for the October 7, 2005 shutdown are attached hereto as Exhibit B.

13. MBUSI has ripened warranty claims for products received by MBUSI from bankrupt Delphi entities prior to the Petition Date, in the amount of \$257,360.28. These warranty claims are based on products received by MBUSI pre-petition in connection with vehicle model numbers 163, 164, and 251, which claims are known and currently owing. Documents supporting MBUSI's warranty claims are attached hereto as Exhibit C.

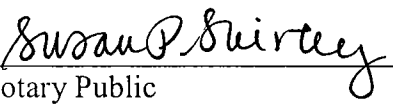
14. MBUSI will continue to have warranty claims for products shipped to MBUSI by Delphi Suppliers pre-petition.

FURTHER THE AFFIANT SAITH NOT.



Joachim Hofmann, Affiant

Sworn to and subscribed before me
this the 16th day of ~~October~~ ^{November} 2005.



Notary Public
My Commission Expires: 2/18/09



Mercedes-Benz U.S. International, Inc.

Accounts Payable Department

P.O. Box 100

Tuscaloosa, AL 35403-0100

*** REQUEST FOR SUPPLIER DEBIT ***

TO: Supplier Name Delphi Packard REQUESTER: Jochen Eck
 SUPPLIER #: 18546754A MBUSI APPROVAL: John DiCicco
 DATE: 10/3/2005 SUPPLIER CONTACT: Dave Gregory
 Running # 24062
 A/P Invoice #: _____ ACCT & COST CTR TO CREDIT: 6605000 0000
 (20 characters)

DOWNTIME OR REWORK CHARGEBACK

Description (attach calculation documentation): _____ Amount
 To recover costs of Assembly Shop shutdown due to parts shortage 8/26/05
 Shutdown length: 1.5 hours
 Shop chargeback rate: \$51,712

 TOTAL CHARGEBACK 77,568.00

PART RELATED ADJUSTMENTS

Description/Reason	Item Number	Qty	Price Paid	Price Corrected	Amount

OTHER ADJUSTMENTS

Description/Reason (attach calculation documentation): _____

 TOTAL DEBIT \$77,568.00

Notes:

- 1) MBUSI approval should follow same Levels of Authority as for expenditures.
- 2) Account Payable naming conventions for Debit Supplier invoices (maximum of 20 characters):
DM-short description followed by date in YYYYMMDD format; i.e. DM-DWNTM19971214
- 3) Any support documentation should be attached.

U:\Charge Back To Supplier\Debit Delphi Request for Charge Back.xls]

V:\FINANCE\DEBITRQ.XLS]

Q:\FORMS-MI

Approval

SQE

Product Controlling

Finance

President and CEO



EXHIBIT

tabbles

A

Account	Type	Vendor	Name 1	Cost ctr	WBS element	Reference	Doc. date	Patg date	Amt in loc. cur.	LCurr
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008GT	10/17/2005	10/17/2005	-43,769.88	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012AY	10/17/2005	10/17/2005	-84.28	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012BG	10/17/2005	10/17/2005	-212.29	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012BI	10/17/2005	10/17/2005	-449.98	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012BJ	10/17/2005	10/17/2005	-733.14	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012BP	10/17/2005	10/17/2005	-1,031.69	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012BQ	10/17/2005	10/17/2005	-515.23	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012BV	10/17/2005	10/17/2005	-411.64	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051012BW	10/17/2005	10/17/2005	-3,287.73	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008DE	10/17/2005	10/17/2005	-201.40	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008DC	10/17/2005	10/17/2005	-1,676.65	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008DB	10/17/2005	10/17/2005	-1,147.99	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008DA	10/17/2005	10/17/2005	-311.11	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CZ	10/17/2005	10/17/2005	-4,240.23	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CY	10/17/2005	10/17/2005	-6,008.28	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CX	10/17/2005	10/17/2005	-418.52	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CV	10/17/2005	10/17/2005	-726.64	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CJ	10/17/2005	10/17/2005	-3,087.49	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CI	10/17/2005	10/17/2005	-105.69	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008ET	10/17/2005	10/17/2005	-28.03	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008ES	10/17/2005	10/17/2005	-169.88	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CK	10/17/2005	10/17/2005	-2,297.57	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CM	10/17/2005	10/17/2005	-289.78	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CN	10/17/2005	10/17/2005	-323.66	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CO	10/17/2005	10/17/2005	-3,648.64	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CP	10/17/2005	10/17/2005	-1,290.66	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008CQ	10/17/2005	10/17/2005	-634.11	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008DD	10/17/2005	10/17/2005	-2,535.72	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008GU	10/17/2005	10/17/2005	-9,804.29	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051013AB	10/27/2005	10/27/2005	-469.45	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051013AA	10/27/2005	10/27/2005	-64,246.03	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20050930ZY	10/27/2005	10/27/2005	-3,527.21	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014XO	10/27/2005	10/27/2005	-113.85	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014XP	10/27/2005	10/27/2005	-310.87	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014XR	10/27/2005	10/27/2005	-671.48	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014XU	10/27/2005	10/27/2005	-65.40	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014XV	10/27/2005	10/27/2005	-94.47	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014YH	10/27/2005	10/27/2005	-8,042.58	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014YI	10/27/2005	10/27/2005	-88.68	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014YJ	10/27/2005	10/27/2005	-138.51	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20050930ZW	10/27/2005	10/27/2005	-2,399.37	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20050930ZX	10/27/2005	10/27/2005	-40,959.49	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20050930ZZ	10/27/2005	10/27/2005	-44,924.02	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014ZT	10/27/2005	10/27/2005	-52.05	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051014ZW	10/27/2005	10/27/2005	-41.41	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS			DM-WAR20051008EU	10/27/2005	10/27/2005	-1,979.21	USD
2118000	KG	012597985A	DELPHI SAFETY & INTERIORS Total						-257,360.28	

